

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
GVS TEXAS HOLDINGS I, LLC, <i>et al.</i>	§	
	§	Case No. 21-31121
	§	(Jointly Administered)
Debtors.	§	

**LIMITED OBJECTION OF THE CERTAIN TEXAS TAXING TO DEBTORS'
EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
AUTHORIZING THE USE OF CASH COLLATERAL AND GRANTING RELATED
RELIEF
(Relates to Docket # 40)**

TO THE HONORABLE JUDGE MICHELLE V. LARSON
UNITED STATES BANKRUPTCY COURT:

COME NOW Spring Branch Independent School District, La Porte Independent School District, Pasadena Independent School District, Klein Independent School District, Alief Independent School District, Dickinson Independent School District, City of Houston, City of La Porte, and Richardson Independent School District (the “Certain Texas Taxing Entities”¹) secured creditors and parties in interest and file this Limited Objection to the Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing the Use of Cash Collateral and Granting Related Relief (the “Cash Collateral Motion”), and would respectfully show the Court the following:

Background

1. The Certain Texas Taxing Entities are political subdivisions of the State of Texas, authorized and required by the Texas Constitution and laws to levy and collect taxes on taxable

¹ The Certain Texas Taxing Entities also includes any entities that may not yet be determined but the full inclusion of which will include all taxing entities represented by Perdue, Brandon, Fielder, Collins & Mott L.L.P in this matter.

personal and real property within their boundaries, in order to operate and discharge their public purposes.

2. The Certain Texas Taxing Entities hold secured pre-petition tax claims for ad valorem taxes² (the “Tax Claims”). The Tax Claims are secured by tax liens on the real and tangible personal property of the Debtors within their boundaries (the “Tax Liens”).

3. The Texas Tax Liens attach on January 1 of each tax year and are superior to any other secured claim on the taxable property as provided by Article VIII, Section 15 of the Texas Constitution, and Sections 32.01 and 32.05(b) of the Texas Property Tax Code.

Objection

4. The Certain Texas Taxing Entities hereby object to the entry of an order on the Cash Collateral Motion for the following reasons.

5. The Certain Texas Taxing Entities object to the Cash Collateral Motion to the extent that their pre-petition and post-petition liens are being primed by the adequate protection liens. The Debtors have failed to provide adequate protection for the Certain Texas Taxing Entities’ senior liens as required by 11 U.S.C. 364(d)(1)(B). The Certain Texas Taxing Entities request that language be added to the final order on the Cash Collateral Motion to protect their liens from subordination by any party.

6. The Certain Texas Taxing Entities further object to the entry of a final order that proposes to provide special treatment to other similarly situated taxing jurisdictions that may have negotiated with the Debtors without providing the same treatment to the Certain Texas Taxing Entities.

² Due diligence remains ongoing and the estimated amount due to all Certain Texas Taxing Entities is still being reviewed.

7. Counsel for the Certain Texas Taxing Entities have conferred or will confer with counsel for the Debtors to reach an agreement.

Prayer

WHEREFORE, the Certain Texas Taxing Entities respectfully request that a Final Order approving the Cash Collateral Motion include language that their liens are not primed nor made subordinate to any other party and grant them such other and further relief as is just and proper.

Dated: July 20, 2021

Respectfully submitted,

**PERDUE, BRANDON, FIELDER,
COLLINS & MOTT, L.L.P.**

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following parties as well as parties receiving the Court's ECF service.

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